
TECHNICAL

Indirect Taxation

[Relief from charging Goods and Services Tax \(GST\) by Minister of Finance 1-2017](#)

The Royal Malaysian Customs Department (RMCD), has recently uploaded the [Relief by Minister of Finance \(MOF\) 1-2017](#). This Relief is effective from 1 July 2017. The following groups of supplies are given relief from charging of GST by MOF under [section 56\(3\)\(b\) of the GST Act 2014](#):

Group 1 – Relief from Charging of GST on the Supply of Handling or Storage Services

The supply of services directly in connection with goods for export to an overseas customer who belongs in a country other than Malaysia who is outside Malaysia at the time the services are performed.

Group 2 - Relief from Charging of GST on the Supply of the following Services

The supply of services by a company licensed under section 65A of the Customs Act, 1967 or operating in a free zone, directly in connection with goods for export to an overseas customer who belongs in a country other than Malaysia who is outside Malaysia at the time the services are performed.

Group 3 - Relief from Charging of GST on the Supply of Research & Development (R&D) Services

The supply of services directly in connection with goods involved in R&D to an overseas customer who belongs in a country other than Malaysia who is outside Malaysia at the time the services are performed.

Group 4 - Relief from Charging of GST on the Supply of Tools or Machines, or Services Related to Such Tools or Machines

The supply of tools or machines and services directly in connection with such tools or machines to an overseas customer who belongs in a country other than Malaysia who is outside Malaysia at the time the services are performed.

Details of the supplies and conditions are set-out under each of the above-mentioned groups in the [Relief by Minister of Finance \(MOF\) 1-2017](#).

Inquiries on the above-mentioned reliefs can be directed to:

- Sector 2 of GST Division, Royal Malaysian Customs Department Level 3 – 7, Block A, Menara Tulus, No. 22, Persiaran Perdana, Presint 3, 62100 Putrajaya. Email: gstsector2@customs.gov.my, (Tel No: 03 88822614 / 03 83111306).
- Facilitation & Consultation Subdivision, Facilities Control Unit, GST Division, Royal Malaysian Customs Department Level 3 – 7, Block A, Menara Tulus, No. 22, Persiaran Perdana, Presint 3, 62100 Putrajaya; Tel No : 03 83237535.

Written application of GST relief under categories 2 and 3 can be made to:

- Facilitation & Consultation Subdivision, Facilities Control Unit, GST Division, Royal Malaysian Customs Department Level 3 – 7, Block A, Menara Tulus, No. 22, Persiaran Perdana, Presint 3, 62100 Putrajaya. (Tel No: 03 83237535).

Note: It is stated in the conditions for the relief under Group 2 and Group 3 that approval from the Director General must be obtained before the services supplied are eligible for GST relief.

Members may read the Relief by MOF 1-2017 in full at the [Institute's website](#) or the official website of the [Malaysia Goods and Services Tax \(GST\) Portal](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concerns or comments you may have on the [Relief by MOF 1-2017](#) so that we may raise them to the authorities.

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